GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:750
ANSWERED ON:22.11.2002
SUBSIDY FOR HANDLING OF FOODGRAINS
GANTA SRINIVASA RAO

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government provide subsidy for handling of food-grains;

(b) if so, norms adopted for the purpose;

(c) whether the subsidy is being paid to the farmers;

(d) if so, the reasons and details of the same; and

(e) the extent to which the farmers are benefited by this payment?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SH KRISHNAM RAJU)

(a): The amount of subsidy provided by Government of India to the FCI and to the State Governments for distribution of foodgrians under decentralized procurement scheme during the last three years is as under:

(Rs. in crore)

	FCI	State Government	Total
1999-2000	8856.72	343.28	9200.00
2000-2001	11462.00	548.00	12010.00
2001-2002	16724.00	770.00	17494.00

(b): Food subsidy is paid for covering the gap between the economic cost of foodgrains and the Central Issue Prices (CIPs) of the foodgrains distributed. FCI is also reimbursed the cost of carrying buffer stocks.

(c),(d)&(e): Farmers are paid the Minimum Support Prices (MSPs) fixed by the Government for the grains procured from them. Procurement operations by Government agencies ensure that there is no distress sale of foodgrains by the farmers.